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**From:**

**Sent:** Friday, December 04, 2009 4:39:49 PM

**To:**

**Cc:**

**Subject:** RE: TEFRA and Employment Tax Audits

If the Service intends to disregard the partnership distribution and characterize the transfer of money from the TEFRA partnership to the S corporation shareholders as wages paid to the S corporation shareholders, then the Service must issue an FPAA. Treas. Reg. 301.6231(a)(3)-1(c)(3). Any assessment of a deficiency on this ground without an FPAA would be invalid. I.R.C. 6225(a).

[REDACTED]